

Thaire Life Assurance Public Company Limited
Review report and interim financial information
For the three-month and six-month periods ended
30 June 2023

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Thaire Life Assurance Public Company Limited

I have reviewed the accompanying statement of financial position, in which the equity method is applied, of Thaire Life Assurance Public Company Limited as at 30 June 2023, the related statements of income and comprehensive income, in which the equity method is applied, for the three-month and six-month periods then ended, and the related statements of changes in owners' equity and cash flows, in which the equity method is applied, for the six-month period then ended, as well as the condensed notes to the interim financial statements. I have also reviewed the separate financial information of Thaire Life Assurance Public Company Limited for the same period (collectively called "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 Interim Financial Reporting.

Rachada Yongsawadvanich
Certified Public Accountant (Thailand) No. 4951

EY Office Limited
Bangkok: 7 August 2023

Thaire Life Assurance Public Company Limited

Statements of financial position

As at 30 June 2023 and 31 December 2022

(Unit: Baht)

	Note	Financial statements		Separate financial statements	
		in which the equity method is applied		30 June 2023	31 December 2022
		30 June 2023	31 December 2022	(Unaudited but reviewed)	(Audited)
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Cash and cash equivalents	5	15,133,882	81,723,706	15,133,882	81,723,706
Accrued investment income		22,166,929	20,456,457	22,166,929	20,456,457
Reinsurance assets	6	6,961,047	5,885,496	6,961,047	5,885,496
Reinsurance receivables	7	293,803,774	273,321,432	293,803,774	273,321,432
Debt financial assets	8.1	1,320,830,634	-	1,320,830,634	-
Equity financial assets	8.2	689,769,351	-	689,769,351	-
Investments in securities - net	8.3	-	2,201,034,213	-	2,201,034,213
Investments in an associate	9	9,427,960	10,007,070	18,910,900	18,910,900
Premises and equipment	10	44,634,798	47,217,809	44,634,798	47,217,809
Intangible assets	11	36,270,870	35,133,647	36,270,870	35,133,647
Deferred tax assets	12.1	101,003,436	73,577,247	99,106,848	71,796,481
Other assets					
Deferred commission expenses		146,616,787	121,931,185	146,616,787	121,931,185
Others		11,148,632	5,127,532	11,148,632	5,127,532
Total assets		2,697,768,100	2,875,415,794	2,705,354,452	2,882,538,858

The accompanying notes are an integral part of the financial statements.

Thaire Life Assurance Public Company Limited

Statements of financial position (continued)

As at 30 June 2023 and 31 December 2022

(Unit: Baht)

	Note	Financial statements			
		in which the equity method is applied		Separate financial statements	
		30 June 2023	31 December 2022	30 June 2023	31 December 2022
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and owners' equity					
Liabilities					
Insurance contract liabilities	13	1,220,874,417	1,084,327,552	1,220,874,417	1,084,327,552
Due to reinsurers	14	83,231,090	304,190,501	83,231,090	304,190,501
Income tax payable		-	15,586,126	-	15,586,126
Employee benefit obligations		19,216,408	17,383,010	19,216,408	17,383,010
Other liabilities					
Accrued expenses		4,483,460	4,340,035	4,483,460	4,340,035
Deferred commission income		104,416	88,282	104,416	88,282
Others		4,060,337	2,737,021	4,060,337	2,737,021
Total liabilities		1,331,970,128	1,428,652,527	1,331,970,128	1,428,652,527
Owners' equity					
Share capital	15				
Registered					
610,000,000 ordinary shares of Baht 1 each					
(31 December 2022: 600,000,000 ordinary shares of Baht 1 each)					
		610,000,000	600,000,000	610,000,000	600,000,000
Issued and paid up					
609,998,247 ordinary shares of Baht 1 each					
(31 December 2022: 600,000,000 ordinary shares of Baht 1 each)					
		609,998,247	600,000,000	609,998,247	600,000,000
Share premium		79,162,825	79,162,825	79,162,825	79,162,825
Retained earnings					
Appropriated - statutory reserve		60,000,000	60,000,000	60,000,000	60,000,000
Unappropriated		737,960,031	832,781,170	737,610,312	832,370,525
Other component of owners' equity		(121,323,131)	(125,180,728)	(113,387,060)	(117,647,019)
Total owners' equity		1,365,797,972	1,446,763,267	1,373,384,324	1,453,886,331
Total liabilities and owners' equity		2,697,768,100	2,875,415,794	2,705,354,452	2,882,538,858
		-	-	-	-

The accompanying notes are an integral part of the financial statements.

Directors

(Unaudited but reviewed)

Thaire Life Assurance Public Company Limited**Statements of income****For the three-month periods ended 30 June 2023 and 2022**

(Unit: Baht)

	Financial statements				
	Note	in which the equity method is applied		Separate financial statements	
		2023	2022	2023	2022
Revenues					
Reinsurance premium written		998,038,234	812,672,600	998,038,234	812,672,600
Less: Reinsurance premium ceded		(7,606,554)	(6,415,271)	(7,606,554)	(6,415,271)
Net reinsurance premium written		990,431,680	806,257,329	990,431,680	806,257,329
Less: Unearned premium reserves increased from prior period		(203,486,270)	(105,803,607)	(203,486,270)	(105,803,607)
Net earned premium		786,945,410	700,453,722	786,945,410	700,453,722
Commission income		366,243	649,592	366,243	649,592
Net investment revenue		22,644,693	23,108,187	22,644,693	23,108,187
Gains (losses) on investments		106,206	(3,274,075)	106,206	(3,274,075)
Fair value gains (losses) in financial instruments		795,226	(10,498)	795,226	(10,498)
Share of profit from investment in an associate under the equity method	9.3	742,951	1,592,770	-	-
Other income		239,088	275,453	239,088	275,453
Total revenues		811,839,817	722,795,151	811,096,866	721,202,381
Expenses					
Long-term insurance policy reserves increased		4,658,672	1,647,387	4,658,672	1,647,387
Gross benefits and claims		543,022,455	463,949,925	543,022,455	463,949,925
Less: claims recovered from reinsurers		(3,094,735)	(2,838,078)	(3,094,735)	(2,838,078)
Commission expenses		180,530,985	175,400,241	180,530,985	175,400,241
Other underwriting expenses		11,285,390	9,968,120	11,285,390	9,968,120
Operating expenses		30,644,717	27,531,679	30,644,717	27,531,679
Finance costs		-	8,002	-	8,002
Expected credit losses (reversal)		60,123	(12,620)	60,123	(12,620)
Total expenses		767,107,607	675,654,656	767,107,607	675,654,656
Profits before income tax expenses		44,732,210	47,140,495	43,989,259	45,547,725
Income tax expenses	12.2	(12,463,398)	(6,940,704)	(12,314,808)	(6,622,150)
Net profit		32,268,812	40,199,791	31,674,451	38,925,575
Earnings per share	17				
Basic earnings per share					
Net profit		0.053	0.066	0.052	0.064

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Thaire Life Assurance Public Company Limited**Statements of comprehensive income****For the three-month periods ended 30 June 2023 and 2022**

(Unit: Baht)

	Financial statements		Separate financial statements	
	in which the equity method is applied			
	2023	2022	2023	2022
Net profit	32,268,812	40,199,791	31,674,451	38,925,575
Other comprehensive income (loss)				
Items to be reclassified to statements of income in subsequent periods:				
Translation adjustments of the financial statements				
in foreign currency of an associate	(581,219)	(2,204,308)	-	-
Add: Income taxes	116,243	440,862	-	-
Translation adjustments of the financial statements in foreign currency of an associate - net of income taxes	(464,976)	(1,763,446)	-	-
Losses on revaluation of available-for-sale investments measured at fair value through other comprehensive income	-	(62,530,118)	-	(62,530,118)
Add: Income taxes	-	12,506,024	-	12,506,024
Losses on revaluation of available-for-sale investments measured at fair value through other comprehensive income - net of income taxes	-	(50,024,094)	-	(50,024,094)
Items to be reclassified to statements of income in subsequent periods - net of income taxes	(464,976)	(51,787,540)	-	(50,024,094)
Items not to be reclassified to statements of income in subsequent periods:				
Actuarial gains	114,177	2,069,632	114,177	2,069,632
Less : Income taxes	(22,835)	(413,927)	(22,835)	(413,927)
Actuarial gains - net of income taxes	91,342	1,655,705	91,342	1,655,705
Losses on investments in equity securities measured at fair value through other comprehensive income	(32,975,232)	-	(32,975,232)	-
Add: Income taxes	6,595,046	-	6,595,046	-
Losses on investments in equity securities measured at fair value through other comprehensive income - net of income tax	(26,380,186)	-	(26,380,186)	-
Items not to be reclassified to statements of income in subsequent periods - net of income taxes	(26,288,844)	1,655,705	(26,288,844)	1,655,705
Other comprehensive loss for the periods	(26,753,820)	(50,131,835)	(26,288,844)	(48,368,389)
Total comprehensive income (loss) for the periods	5,514,992	(9,932,044)	5,385,607	(9,442,814)

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Thaire Life Assurance Public Company Limited**Statements of income****For the six-month periods ended 30 June 2023 and 2022**

(Unit: Baht)

	Financial statements				
	Note	in which the equity method is applied		Separate financial statements	
		2023	2022	2023	2022
Revenues					
Reinsurance premium written		1,665,583,920	1,482,582,172	1,665,583,920	1,482,582,172
Less: Reinsurance premium ceded		(15,209,178)	(12,355,441)	(15,209,178)	(12,355,441)
Net reinsurance premium written		1,650,374,742	1,470,226,731	1,650,374,742	1,470,226,731
Less: Unearned premium reserves increased					
from prior period		(151,517,628)	(77,086,465)	(151,517,628)	(77,086,465)
Net earned premium		1,498,857,114	1,393,140,266	1,498,857,114	1,393,140,266
Commission income		1,376,645	1,522,843	1,376,645	1,522,843
Net investment revenue		37,812,257	35,445,584	37,812,257	35,445,584
Losses on investments		(567,415)	(76,219)	(567,415)	(76,219)
Fair value gains (losses)		1,425,475	(11,644)	1,425,475	(11,644)
Share of profit (loss) from investment in an associate					
under the equity method	9.3	(76,157)	1,738,085	-	-
Other income		437,487	607,691	437,487	607,691
Total revenues		1,539,265,406	1,432,366,606	1,539,341,563	1,430,628,521
Expenses					
Long-term insurance policy reserves increased (decreased)		11,843,753	(14,509,159)	11,843,753	(14,509,159)
Gross benefits and claims		1,090,431,555	928,515,214	1,090,431,555	928,515,214
Less: claims recovered from reinsurers		(5,175,334)	(407,102)	(5,175,334)	(407,102)
Commission expenses		355,820,104	304,921,189	355,820,104	304,921,189
Other underwriting expenses		23,241,398	24,820,465	23,241,398	24,820,465
Operating expenses		58,757,883	55,626,975	58,757,883	55,626,975
Finance costs		-	18,921	-	18,921
Expected credit losses		37,071	20,110	37,071	20,110
Total expenses		1,534,956,430	1,299,006,613	1,534,956,430	1,299,006,613
Profit before income tax expenses		4,308,976	133,359,993	4,385,133	131,621,908
Income tax benefit (expenses)	12.2	13,286,439	(23,040,398)	13,271,208	(22,692,781)
Net profit		17,595,415	110,319,595	17,656,341	108,929,127
Earnings per share	17				
Basic earnings per share					
Net profit		0.029	0.181	0.029	0.179

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Thaire Life Assurance Public Company Limited**Statements of comprehensive income****For the six-month periods ended 30 June 2023 and 2022**

(Unit: Baht)

	Financial statements		Separate financial statements	
	in which the equity method is applied			
	2023	2022	2023	2022
Net profit	17,595,415	110,319,595	17,656,341	108,929,127
Other comprehensive income (loss)				
Items to be reclassified to statements of income in subsequent periods:				
Translation adjustments of the financial statements				
in foreign currency of an associate	(502,953)	(2,817,657)	-	-
Add: Income taxes	100,591	563,532	-	-
Translation adjustments of the financial statements in foreign currency of an associate - net of income taxes	(402,362)	(2,254,125)	-	-
Losses on revaluation of available-for-sale investments measured at fair value through other comprehensive income	-	(67,288,153)	-	(67,288,153)
Add : Income taxes	-	13,457,631	-	13,457,631
Losses on revaluation of available-for-sale investments measured at fair value through other comprehensive income - net of income taxes	-	(53,830,522)	-	(53,830,522)
Items to be reclassified to statements of income in subsequent periods - net of income taxes	(402,362)	(56,084,647)	-	(53,830,522)
Items not to be reclassified to statements of income in subsequent periods:				
Actuarial gains (losses)	(662,805)	1,948,154	(662,805)	1,948,154
Add (less): Income taxes	132,561	(389,631)	132,561	(389,631)
Actuarial gains (losses) - net of income taxes	(530,244)	1,558,523	(530,244)	1,558,523
Losses on investments in equity securities measured at fair value through other comprehensive income	(69,532,991)	-	(69,532,991)	-
Add: Income taxes	13,906,598	-	13,906,598	-
Losses on investments in equity securities measured at fair value through other comprehensive income - net of income tax	(55,626,393)	-	(55,626,393)	-
Items not to be reclassified to statements of income in subsequent periods - net of income taxes	(56,156,637)	1,558,523	(56,156,637)	1,558,523
Other comprehensive loss for the periods	(56,558,999)	(54,526,124)	(56,156,637)	(52,271,999)
Total comprehensive income (loss) for the periods	(38,963,584)	55,793,471	(38,500,296)	56,657,128

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Thaire Life Assurance Public Company Limited

Statements of cash flows

For the six-month periods ended 30 June 2023 and 2022

(Unit: Baht)

	Financial statements				
	Note	in which the equity method is applied		Separate financial statements	
		2023	2022	2023	2022
Cash flows from (used in) operating activities					
Cash paid for reinsurance		(85,879,730)	(15,611,337)	(85,879,730)	(15,611,337)
Interest income		13,005,113	8,697,321	13,005,113	8,697,321
Dividend income		23,831,850	25,016,603	23,831,850	25,016,603
Other investment income (expenses)		690,296	(2,635,861)	690,296	(2,635,861)
Other income		443,051	607,691	443,051	607,691
Other underwriting expenses		(22,387,874)	(24,321,106)	(22,387,874)	(24,321,106)
Operating expenses		(54,136,311)	(49,408,960)	(54,136,311)	(49,408,960)
Income tax expenses		(15,989,428)	(4,356,645)	(15,989,428)	(4,356,645)
Cash received on financial assets		1,429,323,737	1,170,988,564	1,429,323,737	1,170,988,564
Cash paid for financial assets		(1,309,074,167)	(1,143,944,934)	(1,309,074,167)	(1,143,944,934)
Net cash used in operating activities		(20,173,463)	(34,968,664)	(20,173,463)	(34,968,664)
Cash flows used in investing activities					
Purchases of equipment		(1,005,843)	(486,257)	(1,005,843)	(486,257)
Purchases of intangible assets		(3,455,947)	(238,423)	(3,455,947)	(238,423)
Net cash used in investing activities		(4,461,790)	(724,680)	(4,461,790)	(724,680)
Cash flows used in financing activities					
Repayment of lease liabilities		-	(396,114)	-	(396,114)
Cash dividend paid	18	(42,001,753)	(72,000,000)	(42,001,753)	(72,000,000)
Net cash used in financing activities		(42,001,753)	(72,396,114)	(42,001,753)	(72,396,114)
Net decrease in cash and cash equivalents		(66,637,006)	(108,089,458)	(66,637,006)	(108,089,458)
Cash and cash equivalents at beginning of the periods		81,723,706	155,794,785	81,723,706	155,794,785
Decrease in expected credit losses		47,182	73,148	47,182	73,148
Cash and cash equivalents at end of the periods		15,133,882	47,778,475	15,133,882	47,778,475

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Thaire Life Assurance Public Company Limited

Statements of changes in owners' equity

For the six-month periods ended 30 June 2023 and 2022

(Unit: Baht)

Financial statements in which the equity method is applied

	Note	Issued and paid-up		Retained earnings		Other components of owners' equity			Total owners' equity
		share capital	Share premium	Appropriated - statutory reserve	Unappropriated	Revaluation deficit on equity securities/ available-for-sale investments measured at fair value through other comprehensive income - net of income taxes	Translation adjustments of the financial statements in foreign currency of an associate - net of income taxes	Total other components of owners' equity	
Balance as at 1 January 2022		600,000,000	79,162,825	60,000,000	797,944,982	(64,120,231)	(3,915,641)	(68,035,872)	1,469,071,935
Dividend payments	18	-	-	-	(72,000,000)	-	-	-	(72,000,000)
Reversal of dividend payable due to ineligibility of shareholders		-	-	-	552	-	-	-	552
Net profit		-	-	-	110,319,595	-	-	-	110,319,595
Other comprehensive income (loss) for the period		-	-	-	1,558,523	(53,830,522)	(2,254,125)	(56,084,647)	(54,526,124)
Total comprehensive income (loss) for the period		-	-	-	111,878,118	(53,830,522)	(2,254,125)	(56,084,647)	55,793,471
Balance as at 30 June 2022		<u>600,000,000</u>	<u>79,162,825</u>	<u>60,000,000</u>	<u>837,823,652</u>	<u>(117,950,753)</u>	<u>(6,169,766)</u>	<u>(124,120,519)</u>	<u>1,452,865,958</u>
Balance as at 1 January 2023 - as previously reported		600,000,000	79,162,825	60,000,000	832,781,170	(117,647,019)	(7,533,709)	(125,180,728)	1,446,763,267
Cumulative effect of the change in accounting policy	3	-	-	-	(43,574,559)	43,574,559	-	43,574,559	-
Balance as at 1 January 2023 - as restated		<u>600,000,000</u>	<u>79,162,825</u>	<u>60,000,000</u>	<u>789,206,611</u>	<u>(74,072,460)</u>	<u>(7,533,709)</u>	<u>(81,606,169)</u>	<u>1,446,763,267</u>
Stock dividends issued	15	9,998,247	-	-	-	-	-	-	9,998,247
Transfer loss on disposals of equity securities measured at fair value other comprehensive income to retained earnings	8.2.2	-	-	-	(16,311,793)	16,311,793	-	16,311,793	-
Dividend payments	18	-	-	-	(52,000,000)	-	-	-	(52,000,000)
Reversal of dividend payable due to ineligibility of shareholders		-	-	-	42	-	-	-	42
Net profit		-	-	-	17,595,415	-	-	-	17,595,415
Other comprehensive loss for the period		-	-	-	(530,244)	(55,626,393)	(402,362)	(56,028,755)	(56,558,999)
Total comprehensive income (loss) for the period		-	-	-	17,065,171	(55,626,393)	(402,362)	(56,028,755)	(38,963,584)
Balance as at 30 June 2023		<u>609,998,247</u>	<u>79,162,825</u>	<u>60,000,000</u>	<u>737,960,031</u>	<u>(113,387,060)</u>	<u>(7,936,071)</u>	<u>(121,323,131)</u>	<u>1,365,797,972</u>

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Thaire Life Assurance Public Company Limited

Statements of changes in owners' equity (continued)

For the six-month periods ended 30 June 2023 and 2022

(Unit: Baht)

Separate financial statements							
	Note	Issued and paid-up share capital	Share permium	Retained earnings		Other component of owners' equity	
				Appropriated - statutory reserve	Unappropriated	Revaluation deficit on equity securities/ available-for-sale investments measured at fair value through other comprehensive income - net of income taxes	Total owners' equity
Balance as at 1 January 2022		600,000,000	79,162,825	60,000,000	799,645,587	(64,120,231)	1,474,688,181
Dividend payments	18	-	-	-	(72,000,000)	-	(72,000,000)
Reversal of dividend payable due to ineligibility of shareholders		-	-	-	552	-	552
Net profit		-	-	-	108,929,127	-	108,929,127
Other comprehensive income (loss) for the period		-	-	-	1,558,523	(53,830,522)	(52,271,999)
Total comprehensive income (loss) for the period		-	-	-	110,487,650	(53,830,522)	56,657,128
Balance as at 30 June 2022		<u>600,000,000</u>	<u>79,162,825</u>	<u>60,000,000</u>	<u>838,133,789</u>	<u>(117,950,753)</u>	<u>1,459,345,861</u>
Balance as at 1 January 2023 - as previously reported		600,000,000	79,162,825	60,000,000	832,370,525	(117,647,019)	1,453,886,331
Cumulative effect of the change in accounting policy	3	-	-	-	(43,574,559)	43,574,559	-
Balance as at 1 January 2023 - as restated		<u>600,000,000</u>	<u>79,162,825</u>	<u>60,000,000</u>	<u>788,795,966</u>	<u>(74,072,460)</u>	<u>1,453,886,331</u>
Stock dividends issued	15	9,998,247	-	-	-	-	9,998,247
Transfer loss on disposals of equity securities measured at fair value other comprehensive income to retained earnings	8.2.2	-	-	-	(16,311,793)	16,311,793	-
Dividend payments	18	-	-	-	(52,000,000)	-	(52,000,000)
Reversal of dividend payable due to ineligibility of shareholders		-	-	-	42	-	42
Net profit		-	-	-	17,656,341	-	17,656,341
Other comprehensive loss for the period		-	-	-	(530,244)	(55,626,393)	(56,156,637)
Total comprehensive income (loss) for the period		-	-	-	17,126,097	(55,626,393)	(38,500,296)
Balance as at 30 June 2023		<u>609,998,247</u>	<u>79,162,825</u>	<u>60,000,000</u>	<u>737,610,312</u>	<u>(113,387,060)</u>	<u>1,373,384,324</u>
		-	-	-	-	-	-

The accompanying notes are an integral part of the financial statements.

Thaire Life Assurance Public Company Limited

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For the three-month and six-month periods ended 30 June 2023 and 2022

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Thaire Life Assurance Public Company Limited

Notes to interim financial statements

For the three-month and six-month periods ended 30 June 2023 and 2022

1. Corporate information

Thaire Life Assurance Public Company Limited (“the Company”) is a public company incorporated under Thai laws and domiciled in Thailand. The Company has been listed on the Stock Exchange of Thailand since 9 October 2013. The major shareholders are Thai Reinsurance Public Company Limited which holds 10.10% of the issued and paid-up capital, and an individual shareholder who holds 11.30% of the issued and paid-up capital.

The Company is principally engaged in the provision of life reinsurance services. The registered office of the Company is located at No. 48/15 Soi Ratchadapisek 20, Ratchadapisek Road, Samsenok Sub-district, Huaykwang District, Bangkok.

2. Basis for preparation of interim financial information/New financial reporting standards/Significant accounting policies

2.1 Basis for preparation of interim financial information

This interim financial information is prepared in accordance with Thai Accounting Standard No. 34: Interim Financial Reporting whereby the Company choose to present condensed interim financial statements. However, the Company presented each line item in the statements of financial position, income, comprehensive income, changes in owners’ equity and cash flows in the same full format as that used in its annual financial statements, and in accordance with the format of financial statements specified in Notification of the Office of Insurance Commission (“OIC”) regarding criteria, procedures, terms and conditions for preparation and submission of financial statements of life insurance companies B.E. 2566 dated 8 February 2023.

This interim financial information is intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. This interim financial information should therefore be read in conjunction with the latest annual financial statements.

The interim financial information in Thai language are the official statutory financial statements of the Company. The interim financial information in English language have been translated from such financial statements in Thai language.

2.2 New financial reporting standards

The revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2023, do not have any significant impact on the Company's financial statements.

2.3 Significant accounting policies

This interim financial information is prepared using the same significant accounting policies and methods of computation as those were used in the preparation of financial statements for the year ended 31 December 2022, except for changes in accounting policies due to the adoption of Thai Financial Reporting Standard: TFRS 9 Financial Instruments since 1 January 2023, which can be summarised as below.

Classification and measurement of financial assets

The Company reclassifies financial assets to comply with the Company's business model for managing assets and liabilities on the basis of the facts and circumstances that exist at the initial date of application as follows:

Financial assets - equity instruments

- Investments in both listed and non-listed equity securities

The Company considers and continues to classify its investments in both listed and non-listed equity securities as financial assets measured at fair value through other comprehensive income whereby change in fair value will be recognised in other comprehensive income and when disposal, the cumulative gain or loss arising from change in fair value will be recognised directly in retained earnings.

- Investments in unit trusts, which are treated as equity securities

The Company considers and continues to classify its investments in unit trusts, which are treated as equity securities, as financial assets at fair value through other comprehensive income whereby the change in fair value will be recognised in other comprehensive income and when disposal, the cumulative gain or loss arising from change in fair value will be recognised directly in retained earnings.

Financial assets - Debt instruments

- Investments in unit trust, which are treated as debt securities

The Company considers to classify investments in unit trusts, which are treated as debt securities, (previously classified as available-for-sale investments measured at fair value through other comprehensive income under the former accounting policies) as financial assets measured at fair value through profit or loss because such unit trusts do not have contractual terms of the financial assets that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Changes in fair value and gain or loss on disposal will be recognised in profit or loss.

- Investment in government and state enterprise securities, private enterprise debt securities and deposits at financial institutions

The Company considered and continue to classify its investments in government and state enterprise securities, private enterprise debt securities and deposits at financial institutions as financial assets measured at amortised cost less expected credit loss.

Classification of financial liabilities

The adoption of these standards does not have impact on classification of the Company's financial liabilities since the Company continues to classify them as financial liabilities measured at amortised cost.

Impairment of financial assets

The adoption of TFRS9 requires the Company to move from incurred loss provisioning, under previous accounting policy, to expected loss provisioning by recognising an allowance for expected credit losses on its financial assets calculated using the General approach, and it is no longer necessary for a credit-impaired event to have occurred. However, such approach is the same approach currently adopted by the Company.

Transition

The Company initially adopted this standard and opted to adjust the cumulative effect, using the retrospective method, against retained earnings or other components of owners' equity as at 1 January 2023, and the comparative information was not restated.

The cumulative effects of changes in accounting policies were described in Note 3 to interim financial statements.

3. Cumulative effects of changes in accounting policies

As described in Note 2.3 to the interim financial statements, since 1 January 2023 the Company has adopted TFRS 9 Financial Instruments whereby it opted to adjust the cumulative effects of changes in accounting policies against retained earnings as at 1 January 2023 and the comparative information was not restated.

Adjustments to retained earnings and owners' equity as at 1 January 2023 due to the first time adoption of TFRS 9 were presented as follows:

	(Unit: Thousand Baht)	
	Financial statements in which the equity method is applied and separate financial statements	
	Retained earnings	Other components of owners' equity
Effect from change in classification from available- for-sale investments measured at fair value through other comprehensive income to financial assets measured at fair value through profit or loss	(54,469)	54,469
Add (less): Income taxes	10,894	(10,894)
Effects on beginning balances	(43,575)	43,575

The adjustments and reclassifications to the beginning balances as at 1 January 2023 as a result of changes in accounting policies from the first time adoption of TFRS 9 were presented as follows:

	(Unit: Thousand Baht)		
	Financial statements in which the equity method is applied		
	31 December 2022	Adjustments and reclassifications	1 January 2023
Statement of financial position			
Assets			
Debt financial assets	-	1,635,184	1,635,184
Equity financial assets	-	565,850	565,850
Investments in securities	2,201,034	(2,201,034)	-
Owners' equity			
Retained earnings - unappropriated	832,781	(43,575)	789,206
Other components of equity	(125,181)	43,575	(81,606)

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements		
	31 December 2022	Adjustments and reclassifications	1 January 2023
Statement of financial position			
Assets			
Debt financial assets	-	1,635,184	1,635,184
Equity financial assets	-	565,850	565,850
Investments in securities	2,201,034	(2,201,034)	-
Owners' equity			
Retained earnings - unappropriated	832,371	(43,575)	788,796
Other components of equity	(117,647)	43,575	(74,072)

4. Classification of financial assets

As at 30 June 2023, carrying amounts of financial assets were classified as follows.

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied and separate financial statements		
	Equity securities measured at fair value through other comprehensive income	Financial instruments measured at amortised cost	Total
Financial assets			
Cash and cash equivalents	-	15,134	15,134
Accrued investment income	-	22,167	22,167
Debt financial assets	-	1,320,831	1,320,831
Equity financial assets	689,769	-	689,769

5. Cash and cash equivalents

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied and separate financial statements	
	30 June 2023	31 December 2022
Cash	8	7
Deposits at banks with no fixed maturity date	15,134	81,772
Total	15,142	81,779
Less: Allowance for expected credit losses	(8)	(55)
Cash and cash equivalents - net	15,134	81,724

(Unaudited but reviewed)

6. Reinsurance assets

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied and separate financial statements	
	30 June 2023	31 December 2022
Insurance reserves refundable from reinsurers		
Long-term insurance policy reserves	3,111	3,139
Unearned premium reserves	3,850	2,747
Total reinsurance assets	6,961	5,886

7. Reinsurance receivables

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied and separate financial statements	
	30 June 2023	31 December 2022
Amounts deposited on reinsurance	48,430	104,416
Amounts due from reinsurers	245,374	168,905
Total reinsurance receivables	293,804	273,321

8. Financial assets/investments in securities

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied and separate financial statements	
	30 June 2023	31 December 2022
Debt financial assets	1,320,831	-
Equity financial assets	689,769	-
Available-for-sale investments measured at fair value through other comprehensive income	-	824,865
Held-to-maturity investments measured at amortised cost	-	1,376,169
Total	2,010,600	2,201,034

8.1 Debt financial assets

8.1.1 Classified by type of debt financial assets as at 30 June 2023 and 1 January 2023

(Unit: Thousand Baht)

Financial statements in which the equity method is applied and separate financial statements

	30 June 2023	1 January 2023
	Fair value/ amortised cost	Fair value/ amortised cost
Debt instruments measured at fair value through profit or loss		
Unit trusts	-	259,015
Total debt instruments measured at fair value through profit or loss	-	259,015
Debt instruments measured at amortised cost		
Government and state enterprise securities	663,109	818,342
Private debt securities	658,378	508,398
Deposits at financial institutions which amounts maturing in over 3 months	-	50,000
Total	1,321,487	1,376,740
Less: Allowance for expected credit losses	(656)	(571)
Debt instruments measured at amortised cost - net	1,320,831	1,376,169
Debt financial assets - net	1,320,831	1,635,184

8.1.2 Classified by stage of credit risk

(Unit: Thousand Baht)

Financial statements in which the equity method is applied and separate financial statements

	30 June 2023		
	Gross carrying value	Allowance for expected credit losses	Net carrying value
Debt instruments measured at amortised cost			
Debt instruments without a significant increase in credit risk (Stage 1)	1,321,487	(656)	1,320,831
Debt instruments with a significant increase in credit risk (Stage 2)	-	-	-
Credit-impaired debt instruments (Stage 3)	-	-	-
Total	1,321,487	(656)	1,320,831

(Unaudited but reviewed)

(Unit: Thousand Baht)

Financial statements in which the equity method is applied
and separate financial statements

	1 January 2023		
	Gross carrying value	Allowance for expected credit losses	Net carrying value
Debt instruments measured at fair value through profit or loss			
Debt instruments without a significant increase in credit risk (Stage 1)	1,376,740	(571)	1,376,169
Debt instruments with a significant increase in credit risk (Stage 2)	-	-	-
Credit-impaired debt instruments (Stage 3)	-	-	-
Total	<u>1,376,740</u>	<u>(571)</u>	<u>1,376,169</u>

8.2 Equity financial assets

8.2.1 Classified by type of equity financial assets as at 30 June 2023 and 1 January 2023

(Unit: Thousand Baht)

Financial statements in which the equity method is applied
and separate financial statements

	30 June 2023		1 January 2023	
	Cost	Fair Value	Cost	Fair Value
Equity instruments measured at fair value through other comprehensive income				
Domestic equity securities	831,503	<u>689,769</u>	658,440	<u>565,850</u>
Less: Expected credit losses	<u>(141,734)</u>		<u>(92,590)</u>	
Equity instruments measured at fair value through other comprehensive income - net	<u>689,769</u>		<u>565,850</u>	

8.2.2 Derecognition of investments in equity securities

During the three-month and six-month periods ended 30 June 2023, the Company derecognised its investments in equity securities designated as at fair value through other comprehensive income. The Company therefore transferred their changes in fair value previously recognised in other comprehensive income, to be recognised in retained earnings as follows:

(Unit: Thousand Baht)

For the three-month period ended 30 June 2023

	Fair value on the derecognition date	Dividend received	Fair value loss previously recognised in other comprehensive income (net of income taxes)	Reason for derecognition
Derecognition of investments in equity securities				
Common stocks	855	-	(137)	Disposals
Unit trusts	13,946	-	(12,422)	Disposals
Total	14,801	-	(12,559)	

(Unit: Thousand Baht)

For the six-month period ended 30 June 2023

	Fair value on the derecognition date	Dividend received	Fair value loss previously recognised in other comprehensive income (net of income taxes)	Reason for derecognition
Derecognition of investments in equity securities				
Common stocks	19,269	-	(306)	Disposals
Unit trusts	18,406	-	(16,006)	Disposals
Total	37,675	-	(16,312)	

8.3 Classified by type of investments as at 31 December 2022 under the former accounting policy

(Unit: Thousand Baht)

Financial statements in which the
equity method is applied
and separate financial statements

31 December 2022

	Cost/	
	Amortised cost	Fair value
Available-for-sale investments measured at fair value through other comprehensive income		
Debt securities:		
Unit trusts	339,633	259,015
Equity securities:		
Common stocks	305,110	288,973
Unit trusts	372,816	276,877
Total	1,017,559	824,865
Less: Unrealised loss	(147,059)	-
Less: Allowance for impairments	(45,635)	-
Available-for-sale investments measured at fair value through other comprehensive income - net	824,865	824,865
Held-to-maturity investments measured at amortised cost		
Debt securities:		
Government and state enterprise securities	818,342	821,878
Private enterprise debt securities	508,398	505,396
Deposits at financial institutions which mature over 3 months	50,000	50,000
Total	1,376,740	1,377,274
Less: Allowance for expected credit losses	(571)	-
Held-to-maturity investments measured at amortised cost - net	1,376,169	1,377,274
Investments in securities - net	2,201,034	2,202,139

8.4 Investments subject to restriction

As at 30 June 2023 and 31 December 2022, the Company placed some investments as securities with the Registrar as described in Note 20 to the interim financial statements.

9. Investment in an associate

9.1 Details of an associate

Company's name	Nature of business	Country of incorporation	Issued and paid-up share capital		Shareholding percentage held by the Company	
			30 June 2023	31 December 2022	30 June 2023	31 December 2022
			(Thousand Baht)	(Thousand Baht)	(%)	(%)
TKI Life Insurance Company Limited	Life insurance	Laos	66,118	66,118	32.50	32.50

(Unit: Thousand Baht)

Company's name	Financial statements in which the equity method is applied		Separate financial statements					
	Investment value under equity method		Cost		Allowance for impairment		Investment value under cost method	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022	30 June 2023	31 December 2022	30 June 2023	31 December 2022
TKI Life Insurance Company Limited	9,428	10,007	21,684	21,684	(2,773)	(2,773)	18,911	18,911

9.2 Financial information of an associate

Summarised information of financial position

(Unit: Thousand Baht)

	TKI Life Insurance Company Limited	
	30 June 2023	31 December 2022
Total assets	36,365	37,122
Total liabilities	(7,356)	(6,331)
Net assets	29,009	30,791
Shareholding percentage (%)	32.50	32.50
Carrying amount of an associate under equity method	9,428	10,007

(Unaudited but reviewed)

Summarised information of statements of comprehensive income

(Unit: Thousand Baht)

	TKI Life Insurance Company Limited			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2023	2022	2023	2022
Total revenues	4,396	7,308	5,447	9,789
Profit for the periods	2,286	4,901	607	4,797
Total comprehensive income for the periods	2,286	4,901	607	4,797

9.3 Share of profit (loss) and other comprehensive income or loss, and dividend income

During the periods, the Company recognised shares of profit (loss) and other comprehensive income from an associate in the financial statements, in which the equity method is applied, and recognised dividends received from an associate in the separate financial statements as below.

Associate	Financial statements in which the equity method is applied				Separate financial statements	
	Share of profit from investment in an associate for the three-month periods ended 30 June		Share of other comprehensive income from investment in an associate for the three-month periods ended 30 June		Dividends received for the three-month periods ended 30 June	
	2023	2022	2023	2022	2023	2022
TKI Life Insurance Company Limited	743	1,593	-	-	-	-
Total	743	1,593	-	-	-	-

Associate	Financial statements in which the equity method is applied				Separate financial statements	
	Share of profit (loss) from investment in an associate for the six-month periods ended 30 June		Share of other comprehensive income from investment in an associate for the six-month periods ended 30 June		Dividends received for the six-month periods ended 30 June	
	2023	2022	2023	2022	2023	2022
TKI Life Insurance Company Limited	(76)	1,738	-	-	-	-
Total	(76)	1,738	-	-	-	-

(Unaudited but reviewed)

As at 30 June 2023 and 31 December 2022, the Company presented investment in an associate under the equity method in the financial statements, in which the equity method is applied, based on the financial information for the periods then ended, as prepared by the associate's management. However, the Company obtained the 2022 financial statements of TKI Life Insurance Company Limited, which were audited by the associate's auditor and the auditor expressed an unqualified opinion under report dated 16 March 2023. Such audited financial statements presented financial information that were not significantly different from the financial information prepared by the associate's management used for equity-accounting in that year.

10. Premises and equipment

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied and separate financial statements				
	For the six-month period ended 30 June 2023				
	Land	Building	Furniture, fixtures and equipment	Computers	Total
Net book value as at 1 January 2023	17,640	22,783	1,609	5,186	47,218
Acquisition during the period - at cost	-	-	-	1,006	1,006
Depreciation charged for the period	-	(1,096)	(559)	(1,934)	(3,589)
Net book value as at 30 June 2023	<u>17,640</u>	<u>21,687</u>	<u>1,050</u>	<u>4,258</u>	<u>44,635</u>

11. Intangible assets

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied and separate financial statements			
	For the six-month period ended 30 June 2023			
	Computer softwares	Computer softwares under development		Total
Net book value as at 1 January 2023	23,140	11,994		35,134
Acquisition during the period - at cost	400	3,237		3,637
Transfer in (out)	2,887	(2,887)		-
Amortisation charged for the period	(2,500)	-		(2,500)
Net book value as at 30 June 2023	<u>23,927</u>	<u>12,344</u>		<u>36,271</u>

12. Deferred tax assets and income tax benefits (expenses)

12.1 Deferred tax assets

As at 30 June 2023 and 31 December 2022, the components of deferred tax assets were as follows:

	(Unit: Thousand Baht)							
	Financial statements				Financial statements		Separate financial	
	in which the equity		Separate financial		in which the equity		statements	
	method is applied		statements		method is applied		statements	
				Changes in deferred tax		Changes in deferred tax		
				assets for		assets for		
				the six-month periods		the six-month periods		
				ended 30 June		ended 30 June		
				2023		2022		
				2023		2022		
Deferred tax assets								
(liabilities) arose from:								
Premium reserves	22,322	-	22,322	-	22,322	16,669	22,322	16,669
Loss reserves	8,880	14,458	8,880	14,458	(5,578)	(27,038)	(5,578)	(27,038)
Commission payable on reinsurance	29,597	37,691	29,597	37,691	(8,094)	(4,458)	(8,094)	(4,458)
Employee benefit obligations	3,843	3,477	3,843	3,477	366	(149)	366	(149)
Unrealised losses on investments	39,240	29,412	39,240	29,412	9,828	13,458	9,828	13,458
Deferred commission - net	(29,302)	(24,369)	(29,302)	(24,369)	(4,933)	(3,535)	(4,933)	(3,535)
Allowance for impairment on investment	924	9,252	1,479	9,807	(8,328)	(411)	(8,328)	(411)
Others	25,499	3,656	23,048	1,321	21,843	456	21,727	240
Deferred tax assets	<u>101,003</u>	<u>73,577</u>	<u>99,107</u>	<u>71,797</u>				
Total changes					<u>27,426</u>	<u>(5,008)</u>	<u>27,310</u>	<u>(5,224)</u>
Recognition of changes :								
- in statements of income					17,363	(18,639)	17,348	(18,292)
- in statements of comprehensive income					14,140	13,631	14,039	13,068
- against retained earnings directly					(4,077)	-	(4,077)	-
Total changes					<u>27,426</u>	<u>(5,008)</u>	<u>27,310</u>	<u>(5,224)</u>

12.2 Income tax benefits (expenses)

Income tax benefits (expenses) for the three-month and six-month periods ended 30 June 2023 and 2022 were made up as follows:

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied		Separate financial statements	
	For the three-month periods ended 30 June		For the three-month periods ended 30 June	
	2023	2022	2023	2022
Current income taxes:				
Interim corporate income tax charge	-	5,901	-	5,901
Deferred income taxes:				
Relating to origination and reversal of temporary differences	(9,325)	(12,841)	(9,176)	(12,523)
Relating to sale of financial assets measured through other comprehensive income	(3,139)	-	(3,139)	-
Income tax expenses reported in the statements of income	<u>(12,464)</u>	<u>(6,940)</u>	<u>(12,315)</u>	<u>(6,622)</u>

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied		Separate financial statements	
	For the six-month periods ended 30 June		For the six-month periods ended 30 June	
	2023	2022	2023	2022
Current income taxes:				
Interim corporate income tax charge	-	(4,401)	-	(4,401)
Deferred income taxes:				
Relating to origination and reversal of temporary differences	17,363	(18,639)	17,348	(18,292)
Relating to sale of financial assets measured through other comprehensive income	(4,077)	-	(4,077)	-
Income tax benefits (expenses) reported in the statements of income	<u>13,286</u>	<u>(23,040)</u>	<u>13,271</u>	<u>(22,693)</u>

(Unaudited but reviewed)

Reconciliations between income tax benefits (expenses) and the product of accounting profits for the three-month and six-month periods ended 30 June 2023 and 2022 and the applicable tax rate were as follows:

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied		Separate financial statements	
	For the three-month periods ended 30 June		For the three-month periods ended 30 June	
	2023	2022	2023	2022
Accounting profits before income tax expenses	44,732	47,141	43,989	45,548
Applicable tax rate	20%	20%	20%	20%
Income taxes at the applicable tax rate	(8,947)	(9,428)	(8,798)	(9,110)
Tax effects of:				
Non-taxable revenues	2,387	2,480	2,387	2,480
Additional allowances as tax-deductible expenses	60	24	60	24
Others	(5,964)	(16)	(5,964)	(16)
Total	(3,517)	2,488	(3,517)	2,488
Income tax expenses reported in statements of income	(12,464)	(6,940)	(12,315)	(6,622)

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied		Separate financial statements	
	For the six-month periods ended 30 June		For the six-month periods ended 30 June	
	2023	2022	2023	2022
Accounting profits before income tax expenses	4,309	133,360	4,385	131,622
Applicable tax rate	20%	20%	20%	20%
Income taxes at the applicable tax rate	(862)	(26,672)	(877)	(26,325)
Tax effects of:				
Non-taxable revenues	3,204	3,491	3,204	3,491
Exempted expenses	(1)	(1)	(1)	(1)
Additional allowances as tax-deductible expenses	83	175	83	175
Others	10,862	(33)	10,862	(33)
Total	14,148	3,632	14,148	3,632
Income tax benefits (expenses) reported in statements of income	13,286	(23,040)	13,271	(22,693)

(Unaudited but reviewed)

13. Insurance contract liabilities

(Unit: Thousand Baht)

Financial statements in which the equity method is
applied and separate financial statements

	30 June 2023		
	Insurance contract liabilities	Liabilities on reinsurance	Net
Long-term insurance policy reserves	505,631	(3,111)	502,520
Loss reserves			
Claims incurred and reported	236	-	236
Claims incurred but not yet reported	7,900	-	7,900
Premium reserves			
Unearned premium reserves	670,841	(3,850)	666,991
Unpaid policy benefits	36,266	-	36,266
Total	<u>1,220,874</u>	<u>(6,961)</u>	<u>1,213,913</u>

(Unit: Thousand Baht)

Financial statements in which the equity method is
applied and separate financial statements

	31 December 2022		
	Insurance contract liabilities	Liabilities on reinsurance	Net
Long-term insurance policy reserves	493,816	(3,139)	490,677
Loss reserves			
Claims incurred and reported	251	-	251
Claims incurred but not yet reported	24,537	-	24,537
Premium reserves			
Unearned premium reserves	518,220	(2,747)	515,473
Unpaid policy benefits	47,503	-	47,503
Total	<u>1,084,327</u>	<u>(5,886)</u>	<u>1,078,441</u>

(Unaudited but reviewed)

13.1 Long-term insurance policy reserves

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied and separate financial statements	
	For the six-month period ended 30 June 2023	For the year ended 31 December 2022
Beginning balances	493,816	502,690
Reserves increased from new policies and enforced policies	44,196	74,444
Insurance policy reserves decreased from benefit paid for lapse, surrender and others	(48,367)	(94,232)
Assumptions changes	15,986	10,914
Ending balances	505,631	493,816

13.2 Loss reserves

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied and separate financial statements	
	For the six-month period ended 30 June 2023	For the year ended 31 December 2022
Beginning balances	24,788	141,978
Claims incurred for the periods	854,946	1,599,645
Changes in loss reserves	9,535	(139,943)
Changes in assumptions for calculating loss reserves	(26,172)	22,833
Claims paid during the periods	(854,961)	(1,599,725)
Ending balances	8,136	24,788

(Unaudited but reviewed)

13.3 Unearned premium reserves

(Unit: Thousand Baht)

Financial statements
in which the equity method is applied
and separate financial statements

	For the six-month period ended 30 June 2023	For the year ended 31 December 2022
Beginning balances	518,220	493,327
Premium written for the periods	1,251,463	2,070,762
Premium earned during the periods	(1,098,842)	(2,045,869)
Ending balances	<u>670,841</u>	<u>518,220</u>

14. Due to reinsurers

(Unit: Thousand Baht)

Financial statements
in which the equity method is applied
and separate financial statements

	30 June 2023	31 December 2022
Amounts due to reinsurers	<u>83,231</u>	<u>304,191</u>
Total due to reinsurers	<u>83,231</u>	<u>304,191</u>

15. Share capital

On 26 April 2023, the 2022 Annual General Meeting of shareholders approved an increase of the Company's registered share capital from Baht 600 million (600 million shares with a par of Baht 1 per share) to be Baht 610 million (610 million shares with a par of Baht 1 per share) by newly issues the ordinary shares in amount of 10 million shares with a par value at Baht 1 per share to support the stock dividend payment and also approved to pay a cash dividend of Baht 0.07 per share, and issue stock dividends of 10 million shares with a par value of Baht 1 per share to the shareholders, totaling Baht 10 million or a stock dividend of Baht 0.016666 per share. If any shareholder is allotted a fraction of a share, such shareholder will be paid for such fraction of a share in cash instead of stock at the rate of Baht 0.016666 per share. The Company already paid dividends in cash to shareholders and issued 9,998,247 ordinary shares for stock dividends to shareholders, including settlement a fraction of stock dividend in cash of Baht 1,753 to shareholders on 24 May 2023.

The Company registered the increase in its registered share capital with the Ministry of Commerce on 12 May 2023 and registered its issued and paid-up share capital on 24 May 2023.

16. Segment information

16.1 Operating segment information reporting

Operating segment information for the three-month and six-month periods ended 30 June 2023 and 2022 can be classified by type of products as follows:

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied		
	For the three-month period ended 30 June 2023		
	Conventional products	Non-conventional products	Total
Underwriting revenues			
Reinsurance premium written	532,197	465,841	998,038
Less: Reinsurance premium ceded	(7,475)	(131)	(7,606)
Net reinsurance premium written	524,722	465,710	990,432
Less: Unearned premium reserves increased from prior period	(87,797)	(115,690)	(203,487)
Net earned premium	436,925	350,020	786,945
Underwriting expenses			
Long-term insurance policy reserves increased (decreased)	(24,927)	29,586	4,659
Net benefits and claims	330,025	209,903	539,928
Commissions and brokerages expenses - net	84,387	95,778	180,165
Other underwriting expenses	5,856	5,429	11,285
Total underwriting expenses	395,341	340,696	736,037
Profit from underwriting	41,584	9,324	50,908
Operating expenses			(30,645)
Expected credit losses			(60)
Profit from operation			20,203
Share of profit from investment in an associate			743
Net investment revenue			23,546
Other income			240
Profit before income tax expenses			44,732
Income tax expenses			(12,464)
Net profit			32,268

(Unaudited but reviewed)

(Unit: Thousand Baht)

Financial statements in which the equity method is applied

For the three-month period ended 30 June 2022

	Conventional products	Non-conventional products	Total
Underwriting revenues			
Reinsurance premium written	420,372	392,300	812,672
Less: Reinsurance premium ceded	(6,221)	(194)	(6,415)
Net reinsurance premium written	414,151	392,106	806,257
Less: Unearned premium reserves increased from prior period	(44,012)	(61,792)	(105,804)
Net earned premium	370,139	330,314	700,453
Underwriting expenses			
Long-term insurance policy reserves increased (decreased)	(10,461)	12,108	1,647
Net benefits and claims	249,270	211,842	461,112
Commissions and brokerages expenses - net	91,843	82,907	174,750
Other underwriting expenses	5,036	4,933	9,969
Total underwriting expenses	335,688	311,790	647,478
Profit from underwriting	34,451	18,524	52,975
Operating expenses			(27,540)
Reversal of expected credit losses			13
Profit from operation			25,448
Share of profit from investment in an associate			1,593
Net investment revenue			19,824
Other income			275
Profit before income tax expenses			47,140
Income tax expenses			(6,940)
Net profit			40,200

(Unaudited but reviewed)

(Unit: Thousand Baht)

Financial statements in which the equity method is applied

For the six-month period ended 30 June 2023

	Conventional products	Non-conventional products	Total
Underwriting revenues			
Reinsurance premium written	928,956	736,628	1,665,584
Less: Reinsurance premium ceded	(14,947)	(262)	(15,209)
Net reinsurance premium written	914,009	736,366	1,650,375
Less: Unearned premium reserves increased from prior period	(49,981)	(101,537)	(151,518)
Net earned premium	864,028	634,829	1,498,857
Underwriting expenses			
Long-term insurance policy reserves increased (decreased)	(24,249)	36,093	11,844
Net benefits and claims	646,960	438,296	1,085,256
Commissions and brokerages expenses - net	180,982	173,462	354,444
Other underwriting expenses	12,962	10,279	23,241
Total underwriting expenses	816,655	658,130	1,474,785
Profit (loss) from underwriting	47,373	(23,301)	24,072
Operating expenses			(58,758)
Expected credit losses			(37)
Loss from operation			(34,723)
Share of loss from investment in an associate			(76)
Net investment revenue			38,670
Other income			438
Profit before income tax expenses			4,309
Income tax benefit			13,286
Net Profit			17,595

(Unaudited but reviewed)

(Unit: Thousand Baht)

Financial statements in which the equity method is applied

For the six-month period ended 30 June 2022

	Conventional products	Non-conventional products	Total
Underwriting revenues			
Reinsurance premium written	789,063	693,519	1,482,582
Less: Reinsurance premium ceded	(11,967)	(388)	(12,355)
Net reinsurance premium written	777,096	693,131	1,470,227
Less: Unearned premium reserves increased from prior period	(40,997)	(36,090)	(77,087)
Net earned premium	736,099	657,041	1,393,140
Underwriting expenses			
Long-term insurance policy reserves decreased	(11,605)	(2,904)	(14,509)
Net benefits and claims	502,504	425,604	928,108
Commissions and brokerages expenses - net	168,185	135,213	303,398
Other underwriting expenses	13,210	11,611	24,821
Total underwriting expenses	672,294	569,524	1,241,818
Profit from underwriting	63,805	87,517	151,322
Operating expenses			(55,646)
Expected credit losses			(20)
Profit from operation			95,656
Share of profit from investment in an associate			1,738
Net investment revenue			35,358
Other income			608
Profit before income tax expenses			133,360
Income tax expenses			(23,040)
Net profit			110,320

16.2 Geographic information

The Company operates in Thailand only. As a result, all the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

16.3 Major customers

During the three-month and six-month periods ended 30 June 2023 and 2022, the Company had reinsurance premium written from each life insurance company (major customers) for the amount equal to or higher than 10% of total reinsurance premium written as follows:

(Unit: Million Baht)

	Financial statements in which the equity method is applied and Separate financial statements			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2023	2022	2023	2022
	Reinsurance premium written	802	643	1,253

17. Earnings per share

Basic earnings per share is calculated by dividing net profit (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the periods, adjusted by the number of ordinary shares issued in respect of stock dividends as described in Note 15 to interim financial statements. Hence, earnings per share of prior periods were restated whereby calculation of earnings per share would be determined using the number of ordinary shares after adjusting by number of stock dividends as if the stock dividends were issued at the beginning of prior periods presented.

	Financial statements in which the equity method is applied		Separate financial statements	
	For the three-month periods ended 30 June		For the three-month periods ended 30 June	
	2023	2022	2023	2022
		(Restated)		(Restated)
Weighted average number of ordinary shares before stock dividends (Shares)	609,998,247	600,000,000	609,998,247	600,000,000
Number of stock dividend issued in 2023 (Shares)	-	9,998,247	-	9,998,247
Total weighted average number of shares (Shares)	609,998,247	609,998,247	609,998,247	609,998,247
Net profit (Baht)	32,268,812	40,199,791	31,674,451	38,925,575
Earnings per share (Baht per share)	0.053	0.066	0.052	0.064

(Unaudited but reviewed)

	Financial statements in which the equity method is applied		Separate financial statements	
	For the six-month periods ended		For the six-month periods ended	
	30 June		30 June	
	2023	2022 (Restated)	2023	2022 (Restated)
Weighted average number of ordinary shares before stock dividends (Shares)	609,998,247	600,000,000	609,998,247	600,000,000
Number of stock dividend issued in 2023 (Shares)	-	9,998,247	-	9,998,247
Total weighted average number of shares (Shares)	609,998,247	609,998,247	609,998,247	609,998,247
Net profit (Baht)	17,595,415	110,319,595	17,656,341	108,929,127
Earnings per share (Baht per share)	0.029	0.181	0.029	0.179

18. Dividends payment

Dividends declared during the six-month periods ended 30 June 2023 and 2022 consisted of the following:

	Approved by	Total dividend (Million Baht)	Dividend per share (Baht)
Dividend from 2022 net profit	Annual General Meeting of the		
- Cash dividends	Company's shareholders held on	42.0	0.070000
- Stock dividends	26 April 2023	10.0	0.016666
Total dividend paid during 2023		52.0	0.086666
Dividend from 2021 net profit	Annual General Meeting of the		
	Company's shareholders held on		
	22 April 2022	72.0	0.120000
Total dividend paid during 2022		72.0	0.120000

19. Related party transactions

19.1 Nature of relationship

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The relationship between the Company and its related parties are summarised below:

Name of related parties	Relationship with the Company
TKI Life Insurance Co., Ltd.	An associate whereby the Company holds 32.50% of its shares
Bangkok Life Assurance Plc.	Related by way of having a common director and being the Company's shareholder
Muang Thai Life Assurance Plc.	Related by way of having a common director
South East Life Insurance Plc.	Related by way of having a common director ⁽¹⁾ and being the Company's shareholder
T Life Assurance Plc.	Related by way of having a common director ⁽²⁾
Thai Reinsurance Plc.	Related by way of having a common director and being the Company's shareholder
BlueVenture Group Plc.	Related by way of having common director and shareholder
BlueVenture TPA Co., Ltd.	The Company's major shareholder is the ultimate parent company of this entity
BlueVenture Actuarial Co., Ltd.	The Company's major shareholder is the ultimate parent company of this entity
BlueVenture Tech Co., Ltd.	The Company's major shareholder is the ultimate parent company of this entity
The Navakij Insurance Plc.	Related by way of having a common director and being the Company's shareholder
The Falcon Insurance Plc.	Related by way of having a common director and being the Company's shareholder
Wang Lee Co., Ltd.	Related by way of having a common director and being the Company's shareholder

(1) The Company had been considered a related party until 1 July 2022, the date on which a common director resigned from the Company's Board of Directors.

(2) The Company has been considered a related party since 1 June 2023, the date on which both parties have a common director.

19.2 Significant related party transactions

During the three-month and six-month period ended 30 June 2023 and 2022, the Company had significant business transactions with its related parties. Such transactions, which have been concluded on commercial terms and bases agreed upon in the ordinary course of business between the Company and those related parties were as follows:

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied and Separate financial statements				Pricing policy
	For the three-month periods ended		For the six-month periods ended		
	30 June		30 June		
	2023	2022	2023	2022	
<u>Transactions with associates</u>					
Revenues					
Service revenues ⁽¹⁾	69	69	138	138	Mutually agreed rates
Reinsurance premium written	23	20	53	43	According to terms of reinsurance contracts
Expenses					
Claim expenses	10	15	29	31	According to the ratios as specified in the reinsurance contracts
Commission expenses	6	4	14	7	According to terms of reinsurance contracts
<u>Transactions with related parties</u>					
Revenues					
Reinsurance premium written	642,062	543,465	1,042,325	985,302	According to terms of reinsurance contracts
Commissions and brokerages income	-	32	-	85	According to terms of reinsurance contracts
Claims refundable	-	76	-	150	According to the ratios as specified in the reinsurance contracts
Expenses					
Reinsurance premium ceded	-	163	-	343	According to terms of reinsurance contracts
Claim expenses	355,743	376,572	705,381	757,955	According to the ratios as specified in the reinsurance contracts
Commissions and brokerages expenses	130,972	123,623	246,794	215,295	According to terms of reinsurance contracts
Service fee expenses ⁽²⁾	2,024	2,024	4,047	4,047	Mutually agreed rates
Owner's equity					
Dividend paid	4,822	8,736	4,822	8,736	As declared

⁽¹⁾ Including in "Other income" in statements of income

⁽²⁾ Including in "Operating expenses" in statements of income

19.3 Outstanding balances

As at 30 June 2023 and 31 December 2022, the Company had the outstanding balances with its related parties as follows:

	(Unit: Thousand Baht)	
	Financial statements in which the equity method is applied and separate financial statements	
	30 June 2023	31 December 2022
Associate		
Other receivables ⁽¹⁾	-	6
Deferred commissions expenses	8	25
Amounts due to reinsurers ⁽⁴⁾	-	3
Related parties		
Amounts due from reinsurers ⁽²⁾	75,474	7,277
Amounts deposited on reinsurance ⁽²⁾	7,092	62,054
Deferred commissions expenses	91,180	80,712
Loss reserves ⁽³⁾	7,815	2,939
Amounts due to reinsurers ⁽⁴⁾	43,897	204,891
Other payables ⁽⁵⁾	-	180

⁽¹⁾ Included in "Other assets" in statements of financial position

⁽²⁾ Included in "Reinsurance receivables" in statements of financial position

⁽³⁾ Included in "Insurance contract liabilities" in statements of financial position

⁽⁴⁾ Included in "Due to reinsurers" in statements of financial position

⁽⁵⁾ Included in "Other liabilities" in statements of financial position

(Unaudited but reviewed)

19.4 Directors' and key management's remuneration

During the three-month and six-month periods ended 30 June 2023 and 2022, the Company had salaries, bonuses, meeting allowances and post-employment benefits of its directors and key management personnel recognised as expenses, are as follows:

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied and Separate financial statements			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2023	2022	2023	2022
Short-term benefits	13,876	12,313	26,433	26,034
Post employment benefits	1,102	(275)	2,731	820
Total	14,978	12,038	29,164	26,854

20. Assets subject to restrictions

As at 30 June 2023 and 31 December 2022, the Company had the following assets placed and reserved with the Registrar of the Office of Insurance Commission in accordance with the Life Insurance Act.

(Unit: Million Baht)

	Financial statements in which the equity method is applied and separate financial statements			
	30 June 2023		31 December 2022	
	Cost	Fair value	Cost	Fair value
Assets placed				
Government bonds	21.0	22.6	21.0	23.0
Assets reserved as insurance reserves				
Government and state enterprise bonds	255.0	254.7	285.0	287.9
Private enterprise debt securities	44.0	44.2	44.0	44.6

21. Commitments

21.1 Capital commitments

As at 30 June 2023 and 31 December 2022, the Company had capital commitments in relation to installation of computer software amounting to Baht 3.4 million and Baht 8.6 million, respectively.

21.2 Service commitments

As at 30 June 2023 and 31 December 2022, the Company had outstanding service commitments and future minimum service fees amounting to Baht 18.0 million and 22.3 million, respectively.

22. Financial Instrument

22.1 Fair value of financial instrument

Since most of the Company's financial instruments, which consist of cash and cash equivalents, deposits at financial institutions, accrued investment income, and other assets are classified as short-term and/or carry interest rates that are close to market rates, their fair values are therefore estimated to approximate their carrying values as presented in statements of financial position, except for those held-to-maturity investments measured at amortised cost whose fair value was different from their carrying values and they were compared as follows.

(Unit: Thousand Baht)

	Financial statements in which the equity method is applied and separate financial statements			
	30 June 2023		31 December 2022	
	Carrying value	Fair value	Carrying value	Fair value
Investments/debt securities measured at amortised cost				
Government and state enterprise securities	663,082	661,188	818,311	821,878
Private enterprise debt securities	657,749	651,695	507,924	505,396
Deposits at financial institutions with a maturity period of longer than 3 months	-	-	49,934	50,000
Total	1,320,831	1,312,883	1,376,169	1,377,274

22.2 Fair value hierarchy

As of 30 June 2023 and 31 December 2022, the Company had the following financial assets that were measured at fair value, using different levels of inputs as follows:

(Unit: Thousand Baht)

Financial statements in which the equity method is applied
and separate financial statements

	30 June 2023				
	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets measured at fair value					
Equity financial assets	689,769	688,036	-	1,733	689,769

(Unit: Thousand Baht)

Financial statements in which the equity method is applied
and Separate financial statements

	31 December 2022				
	Carrying value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets measured at fair value					
Available-for-sale investments measured at fair value through other comprehensive income	824,865	562,727	259,015	3,123	824,865

During the periods, the Company did not change the valuation technique and assumptions used in the valuation of financial assets, and there were no transfers within the fair value hierarchy.

23. Approval of interim financial information

These interim financial information were authorised for issue by the Company's Board of Directors on 7 August 2023.